

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6521**

**BILL NUMBER:** HB 1324

**NOTE PREPARED:** Feb 2, 2010

**BILL AMENDED:** Feb 1, 2010

**SUBJECT:** Disposal of Vacant Lots in Tax Sale Process.

**FIRST AUTHOR:** Rep. GiaQuinta

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) *Vacant Lot Disposal*- The bill permits a county to sell a vacant parcel acquired by the county in a tax sale to the owner of a contiguous residential parcel for \$1 if the contiguous parcel is entitled to the standard property tax deduction. The bill allows the county to establish criteria to identify vacant parcels eligible for sale. The bill establishes procedures for conduct of the sale, transfer of the vacant parcel, and consolidation of the vacant parcel with the contiguous parcel.

*Property Tax Exemption*- The bill provides that the consolidated parcel is entitled to an exemption from property taxation in the amount of the assessed value of the vacant parcel at the time of consolidation until the earlier of the following: (1) the next transfer of title after the consolidation; or (2) five years after the transfer of the title to the successful applicant.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Vacant Lot Disposal*- Counties may be able to save the expense of retaining an appraiser, auctioneer, and/or sales broker to complete the sale of the parcels in question.

**Explanation of Local Revenues:** *Property Tax Exemption*- The proposed sale method could potentially reduce the amount of revenue collected for the property. However, if these properties are returned to the tax rolls in a more expedient fashion, then these properties could reduce the taxes paid by other property owners

in the same local taxing unit assuming no change in the local levy. The impact of this provision to local revenues would vary by each local taxing unit.

**State Agencies Affected:**

**Local Agencies Affected:** Local taxing units.

**Information Sources:**

**Fiscal Analyst:** Chris Baker, 317-232-9851.